

**KSC 52.223-120 MONETARY AWARD FOR SAFETY CONSCIOUS  
PERFORMANCE AND REPORTING PROCEDURES FOR CLOSE CALLS AND  
MISHAPS (JUL 2004)**

Pursuant to NFS 1852.223-70, Safety and Health:

(a) Safety is the freedom from those conditions that can cause death, injury, occupational illness, damage to or loss of equipment or property, or damage to the environment. NASA's safety priority is to protect: the public, astronauts and pilots, the NASA workforce (including contractor employees working on NASA contracts), and high-value equipment and property.

(b) The Contractor shall take all reasonable safety and occupational health measures in performing this contract. The Contractor shall comply with all Federal, State, and local laws applicable to safety and occupational health and with the safety and occupational health standards, specifications, reporting requirements, and any other relevant requirements of this contract.

Kennedy Space Center Voluntary Protection Program (VPP)

Kennedy Space Center has implemented a comprehensive safety and health management system, and has demonstrated its commitment to providing and maintaining a safe workplace by successfully completing a rigorous evaluation process to achieve recognition by the Occupational Health and Safety Administration (OSHA) as a "Voluntary Protection Program (VPP) Star Worksite." The VPP program promotes effective worksite-based safety and health, encourages employers and employees to reduce the number of occupational safety and health hazards at their places of employment, establishes cooperative relationships between management, labor, and OSHA, and serves to augment limited OSHA resources.

Monetary Award for Safety Conscious Performance

In order to encourage contractors to share NASA's commitment to safety, preclude the need for unnecessary OSHA investigations, and avoid the expense associated with conducting mishap and close call investigations, a monetary award for demonstrated safety-conscious performance is being provided under this contract. The total amount being made available is 0.50% (0.005, or ½ of one percent) of the base bid amount, not to exceed \$15,000. The computed amount is shown as a separate line item under the "Items Awarded" article of the contract. Deductions to the total award amount will be made as described below for each safety violation. The remaining balance will be paid with the final contract payment. The total amount will be earned upon completion of work with no documented accidents, incidents, or other serious safety violations as listed below. Note that certain safety violations that result in imminent danger to personnel or have a high potential for serious injury or loss of life will result in loss of the total amount. The entire amount will also be forfeited if the contractor fails to report any close calls, incidents or accidents as required by this contract.

The government's intent in making this safety performance award available is not to provide a slight increase in the contractor's profit margin, but rather to reward safety conscious performance by individual employees. Contractors are therefore strongly encouraged to share the award at the end of the contract as a means of motivating prime

and subcontractor employees to continually exercise the best safety practices available to them.

Safety violations listed in the following table shall result in unilateral deductions from the baseline bonus pool in the amounts shown. Deductive amounts are not negotiable.

<b><u>Hazard/ Violation</u></b>	<b><u>Regulatory Reference</u></b>	<b><u>First Violation*</u></b>	<b><u>Repeat Violation*</u></b>
Personal Protective Equipment	29 CFR 1926.95	\$250	\$500
Electrical/Equipment	29 CFR 1926 Subpart K	\$250	\$500
<u>KSC Emergency Procedures</u> (JHB 2000, Comprehensive Emergency Management Plan; KHB 1710.2, Kennedy Space Center Safety Practices Handbook; QA-UG-0001, Employee Safety & Health Guide)	N/A	\$500	\$1000
Traffic Safety	FDOT/ MUTCD	\$500	\$1000
Traffic Safety <b>(Imminent danger)</b>	“	100%	n/a
Lockout/ Tagout	29 CFR 1926 Subpart K (1926.417) 29 CFR 1910 Subpart J (1910.147)	50%	100%
Lockout/ Tagout <b>(Imminent danger)</b>	“	100%	n/a
Scaffolding	29 CFR 1926 Subpart L (1926.450)	50%	100%
Scaffolding <b>(Imminent danger)</b>	“	100%	n/a
Fall Protection	29 CFR 1926 Subpart M (1926.500)	50%	100%
Fall Protection <b>(Imminent danger)</b>	“	100%	n/a
Excavation	29 CFR 1926 Subpart P (1926.650)	50%	100%
Excavation	“	100%	n/a

<b>(Imminent danger)</b>			
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\* Note – Percentages apply against balance at the time of the safety violation.

The NASA Safety Office representative will make the final determination regarding type and severity of any documented safety violation. Adjustments to the Safety Bonus will be executed by the Contracting Officer based upon this determination, with concurrence from the Contracting Officer's Technical Representative.

Any adjustment made to the available safety bonus pool as outlined above will not limit the Government's right to pursue other remedies available under this contract.

Reporting Procedures for Close Calls and Mishaps  
(Also reference NFS 1852.223-70, Safety and Health)

The contractor shall submit a NASA Mishap Report (NASA Form 1627) to the Contracting Officer to document close calls or mishaps and associated corrective actions. In addition, the Contracting Officer will issue a "Report of Safety and Health Noncompliance" to document safety violations under this contract. The Contractor shall use the form provided to communicate actions taken to correct or mitigate safety/health non-conformance at the job-site, as well as any corrective actions taken to prevent recurrence. This report must be posted on the job site until all corrective actions have been completed.

In the event the non-compliance poses imminent danger, the Contracting Officer may invoke the stop-work order clause in this contract until such time as the immediate hazard has been mitigated. If the Contractor fails or refuses to institute prompt corrective action, the Contracting Officer may invoke the stop-work order clause or any other remedy available to the Government in the event of such failure or refusal.

The Contractor (or subcontractor or supplier) shall insert the "Reporting Procedures for Close Calls and Mishaps" section of this clause, including this paragraph and any applicable Schedule provisions and clauses, with appropriate changes of designations of the parties, in all solicitations and subcontracts of every tier, when the work will be conducted completely or partly on premises owned or controlled by the Government.